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8 CHURCH OF SCIENTOLOGY INTERNATIONAL

9 UNITED STATES BANKRUPTCY COURT

10 NORTHERN DISTRICT OF CALIFORNIA

11		) CASE NO. 95-10911 aj
12		)
12	In re	) RULE 26 REPORT OF DISCOVERY
13		) PLAN
14		)
14	GERALD ARMSTRONG,	)
15		)
16		)
16	Debtor	)
17		) TRIAL DATE: Feb. 13, 1996
18		)

19 Pursuant to Federal Rules of Civil Procedure Rule 26(f),  
20 plaintiff/creditor's attorney, Laurie Bartilson, met with  
21 defendant/debtor Gerald Armstrong, in pro per, on October 26,  
22 1995, to develop a proposed discovery plan. In the course of  
23 that meeting, the parties made the following agreements and  
24 disclosures:

25 1. Settlement Prospects. No immediate prospect of prompt  
26 settlement or resolution short of trial is apparent. Defendant  
27 stated that he would withdraw all of his discovery requests in  
28 exchange for a dismissal of plaintiff's adversary proceeding.



1 Plaintiff's counsel responded that the plaintiff would dismiss  
2 the adversary proceeding if defendant would withdraw his petition  
3 for bankruptcy. Defendant stated that he would not do so.

4       2.    **Rule 26 Disclosures.** Defendant and plaintiff's counsel  
5 agreed that they would make the disclosures required by Rule  
6 26(a)(1) to one another by mail no later than November 6, 1995.  
7 They further agreed that documents previously produced or used in  
8 the state court action which they considered responsive to the  
9 Rule (a)(1) disclosures would not be copied, but merely  
10 identified.

11       3.    **Subjects of Discovery.**

12       Plaintiff's counsel considers that the valid subjects for  
13 discovery in this action are the relationship of Armstrong to the  
14 Gerald Armstrong Corporation; the assets, liabilities and  
15 ownership of the Gerald Armstrong Corporation; the dissipation of  
16 assets by Armstrong and the Gerald Armstrong Corporation since  
17 1989; and Armstrong's fraudulent misrepresentations. Plaintiff  
18 considers that the bulk of the allegations contained in  
19 Armstrong's answer concern matters that should not be litigated  
20 herein, and are not the proper subject of discovery.

21       Defendant Armstrong stated that he considers the proper  
22 subjects of discovery to be listed comprehensively in his  
23 document request, which seeks 144 different categories of  
24 documents. Plaintiff's counsel disagreed, and asked Armstrong to  
25 narrow the document requests. Armstrong refused to respond to  
26 this question, and asked plaintiff's counsel instead to tell him  
27 which of the 144 requests she thought were objectionable.  
28 Counsel responded that she considers the request, in its



1 entirety, to deal with matters outside the scope of discovery,  
2 and to be harrassing. She agreed to provide document responses  
3 and objections in 30 days.

4 Plaintiff's counsel stated that she considered that any  
5 issue which was the subject of litigation in the state case  
6 should not be the subject of renewed discovery or litigation in  
7 this case. Armstrong disagreed, stating that "the religious  
8 issue hasn't been litigated" in the state case and is "completely  
9 relevant to all my litigation." In Armstrong's view, this was  
10 just one example of why discovery in this case should not be  
11 limited.

#### 12 4. Timing of Discovery.

13 The discovery cut-off in this action is January 12, 1996.  
14 The parties disagreed as to whether this should be changed.  
15 Plaintiff anticipates no difficulty in completing discovery by  
16 January 12, and requests that the cut-off remain in place.  
17 Armstrong stated that he did not think that he would be able to  
18 complete discovery before this, but could not name a date by  
19 which he thought he would be able to complete discovery.  
20 Armstrong stated that he intends to take 2 or 3 depositions, and  
21 pursue his document requests, and that he anticipates that  
22 obtaining this discovery will take him beyond January 12, 1996.  
23 The depositions which Armstrong stated he needed are of third  
24 parties.

#### 25 5. Changes or Limitations.

26 Plaintiff urges that no discovery taken in the State Case,  
27 Church of Scientology International v. Gerald Armstrong, Marin  
28 Superior Court Case No. 157680 (consolidated) be repeated here,

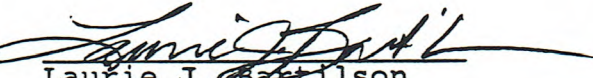
1 and that any relevant discovery taken in the state cases be used  
2 herein as if it had been taken in this case.

3 Dated: November 1, 1995

Respectfully submitted,

4 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

5 MOXON & BARTILSON  
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7  
8 By:   
Laurie J. Bartilson

9 Attorneys for Creditor  
CHURCH OF SCIENTOLOGY INTERNATIONAL  
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PROOF OF SERVICE

STATE OF CALIFORNIA       )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of California, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Hollywood, CA 90028.

On November 1, 1995, I served the foregoing document described as RULE 26 REPORT OF DISCOVERY PLAN on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

Gerald Armstrong  
715 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

Linda Sorensen  
Feldman, Waldman & Kline  
2700 Russ Bldg.  
235 Montgomery St.  
San Francisco, CA 94104-3160

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on November 1, 1995, at Los Angeles,